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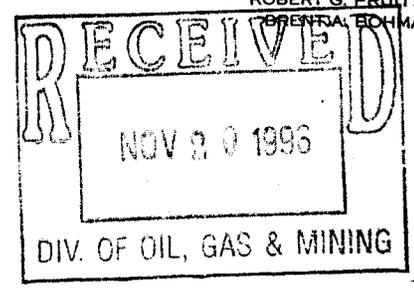
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November 19, 1996



Gilbert Kerlin, Esq.  
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599 Lexington Ave.  
New York, NY 10022-6069

Re: *USMX/Utah Goldstrike Mine  
(Bull Valley LLC,  
Washington, County, Utah)*

Dear Mr. Kerlin:

In my letter/report to you dated January 22, 1996, I agreed to continue to monitor the mine reclamation activities by USMX Inc. at the Goldstrike Mine. This week I contacted Mr. Wayne Hedberg of the Utah Division of Oil, Gas and Mining ("UDOGM"), the State agency in charge of reclamation work at the Goldstrike Mine. He informed me that USMX has continued to diligently reclaim the mine and the treatment facilities in accordance with its approved Reclamation Plan. However, because his office is very busy on other projects, he has not personally visited the Goldstrike Mine since the Spring of 1996. He recommended that I telephone USMX's Reclamation Supervisor, Doug Jensen, who resides at the mine, to obtain the current status of the reclamation work. I did so, and the information reported below is from him.

As you will recall from my January 22 letter, the remaining reclamation work to be done falls into five (5) categories:

1. Leach Pads. The reclamation work on the No. 1 Leach Pad is essentially done, having been re-contoured and soiled. It is considered 95% complete. Only a temporary ditch remains to catch seepage from this pad until re-vegetation of the site is complete. However, the No. 2 Leach Pad has been untouched. It cannot be reclaimed until a Closure Plan is approved by the UDOGM. Mr. Jensen stated that approximately 300,000 yards of material will need to be relocated and seeded when that work is eventually undertaken. UDOGM is concerned that rain runoff in a heavy storm should not be allowed to escape from the property.

2. Solution Ponds. The solution ponds cannot be reclaimed until USMX receives further approval from UDOGM. These ponds are needed to catch drainage from the leach pads, and must be maintained until the last leach pad has been reclaimed.

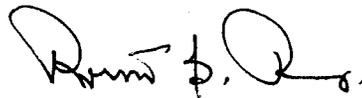
3. Plant Site. Some of the machinery, equipment and structures have been removed from the plant site, but many facilities at the plant site must remain intact since the plant contains needed wiring for the monitoring stations at the leach pads and the solution ponds. Mr. Jensen informed me that complete dismantling and removal of the plant site will probably be the last thing done, only after the leach pads and ponds are fully reclaimed and monitoring is ceased.

4. Roads. Reclamation work on the network of exploration roads is proceeding, but an estimated six miles (30,000 feet) of exploration roads still need to be ripped and contoured. He estimated that all roads scheduled to be reclaimed will be reclaimed by next Summer.

5. Quail Creek Dam. This dam, and its 3.6 acre pond, will be left in place as a wildlife watering hole. That original plan remains unchanged.

Doug Jensen advised me that Ron Willden frequently visits the Goldstrike Mine and is personally acquainted with the progress of the reclamation work reported to you in this letter. You may want to contact Ron for additional details. I will continue to monitor and inquire about reclamation activities, but obviously this work will continue for a long time yet.

Yours very truly,



Robert G. Pruitt, Jr.

RGP:eb  
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